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E.O. 12958: DECL: 12/17/2034
TAGS: [PINR](#) [BEXP](#) [ECON](#) [EMIN](#) [ETRD](#) [CG](#)
SUBJECT: (U) KUDOS FOR KINSHASA ECON REPORTING
(C-AL9-02550)

REF: A. KINSHASA 001047
[1](#)B. STATE 114484
[1](#)C. KINSHASA 000967

Classified By: ELISSA G. PITTERLE, DIRECTOR, INR/OPS. REASON: 1.4(C).

[1](#)1. (C/NF) WASHINGTON ANALYSTS WISH TO SEND KUDOS FOR THE EXCELLENT ECONOMIC REPORTING KINSHASA HAS PROVIDED. FOR EXAMPLE, REF A OFFERED SUCCINCT AND INSIGHTFUL ANSWERS TO THE QUESTIONS LAID OUT IN REF B REGARDING THE MEETING OF MINING EXPERTS FROM THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) THAT TOOK PLACE 10-11 NOVEMBER IN KINSHASA. THE INFORMATION IN REF A HAS INFORMED OUR ANALYSIS AND IS AIDING IN THE DRAFTING OF TWO SEPARATE WRITTEN PRODUCTS - ONE REGARDING THE STATE OF THE MINING SECTOR IN CONGO-K AND ONE LOOKING AT HOW THE VARIOUS COMMODITY EXPORTERS IN SOUTHERN AFRICA HAVE FARED THROUGH THE GLOBAL ECONOMIC DOWNTURN. POST'S IN-DEPTH COVERAGE OF THE SADC MEETING MORE THAN EXCEEDED OUR EXPECTATIONS, AND WE ARE SINCERELY GRATEFUL FOR THE TIME AND EFFORT SPENT ON THIS TOPIC.

[1](#)2. (C/NF) IN ADDITION, WE GREATLY VALUED REF C HIGHLIGHTING CORRUPTION AND MISMANAGEMENT IN CONGO'S MINING SECTOR. WE FOUND THE INFORMATION PROVIDED ON THE LACK OF REFORM WITHIN GECAMINES AND ON THE CONTRACT PROBLEMS FACING TENKE FUNGURUME MINING TO BE ESPECIALLY VALUABLE. WE ALSO FOUND THE STATISTICS ON ILLEGAL MINERAL TRADING IN THE EASTERN PROVINCES TO BE OF INTEREST. AS TIME AND RESOURCES PERMIT, WE WOULD GREATLY WELCOME ANY FOLLOW-UP REPORTING ON THE TOPICS AND QUESTIONS BELOW.

[1](#)A. (C) WHAT DOES THE RECENT SUSPENSION OF THE 18 GECAMINES EXECUTIVES MEAN FOR THE FUTURE MANAGEMENT OF THE COMPANY? (FOR MORE DETAIL, SEE CONGO GECAMINES SUSPENDS EXECUTIVES FOR MISMANAGEMENT, DOW JONES NEWSWIRES, 2009-11-03)

[1](#)B. (C) ARE THESE EXECUTIVES ALIGNED WITH ANYONE IN PARTICULAR, AND IF SO, WITH WHOM? WHO DOES POST ASSESS WILL REPLACE THESE EXECUTIVES?

[1](#)C. (C) TO WHAT EXTENT IS THE DISMISSAL OF THESE INDIVIDUALS A GENUINE EFFORT TO CRACK DOWN ON CORRUPTION?

[1](#)D. (C) TO WHAT EXTENT WILL THE FUTURE MANAGEMENT OF THE COMPANY BE AFFECTED BY THE RESIGNATION OF PAUL FORTIN, THE WORLD BANK-CONTRACTED CEO?

[1](#)E. (C) TO WHAT EXTENT DO OFFICERS WITHIN GECAMINES UNDER-REPORT THE VALUE AND QUANTITY OF MINERALS THAT THEY MINE TO SIPHON OFF THE DIFFERENCE IN VALUE? TO WHAT EXTENT ARE OFFICIALS INVOLVED IN OTHER CORRUPT ACTIVITIES (I.E. THE CORRUPT FINANCING OF GOVERNMENT OFFICIALS)?

[1](#)F. (C) TO WHAT EXTENT HAS THE DECLINE OF THE DIAMOND PARASTATAL COMPANY--BAKWANGA MINING COMPANY (MIBA)--IN MBUJI MAYI AFFECTED LIVING CONDITIONS AND BROUGHT ABOUT HUMANITARIAN CONCERNS IN THE AREA?
CLINTON